

U.S. BANKRUPTCY CODE

**(As amended by Senate File 220,
the Bankruptcy Reform Act of 2001)**

Prepared by

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ADDENDUM

A. BANKRUPTCY CODE AND AMENDMENTS INCLUDED

To assemble this document, we downloaded from Westlaw each section of the Bankruptcy Code, Title 11 U.S.C., as well as selected provisions from Title 18 and Title 28. Next, we included amendments affecting these provisions from the following measures enacted in late 2000: (1) the College Scholarship Fraud Prevention Act of 2000, PL 106-420, November 1, 2000, 114 Stat 1867; (2) the Federal Courts Improvement Act of 2000, PL 106-518, November 13, 2000, 114 Stat 2410; and (3) Consolidated Appropriations – FY 2001, PL 106-554, December 21, 2000, 114 Stat 2763. Finally, we incorporated all the amendments from Senate File 220, the Bankruptcy Reform Act of 2001, which affect Titles 11, 18 and 28. Provisions struck by S.220 and the recently enacted measures are indicated by ~~overstrike~~ and new language is added in **bold**.

B. EFFECTIVE DATES

The following sections of S.220 state effective dates applicable to the Act. Exceptions to these effective dates are noted in footnotes in the text.

1. Title XIV – General Effective Date; Application of Amendments

SEC. 1401. EFFECTIVE DATE; APPLICATION OF AMENDMENTS.

(a) **EFFECTIVE DATE.**-Except as otherwise provided in this Act, this Act and the amendments made by this Act shall take effect 180 days after the date of enactment of this Act.

(b) **APPLICATION OF AMENDMENTS.**-Except as otherwise provided in this Act, the amendments made by this Act shall not apply with respect to cases commenced under title 11, United States Code, before the effective date of this Act.

B. Title X – Protection of Family Farmers

SEC. 1001. PERMANENT REENACTMENT OF CHAPTER 12.

(a) **REENACTMENT.**-

(1) **IN GENERAL.**-Chapter 12 of title 11, United States Code, as reenacted by section 149 of division C of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105-277, 112 Stat. 2681-610), and amended by this Act, is reenacted.

(2) **EFFECTIVE DATE.**-Subsection (a) shall be deemed to have taken effect on July 1, 2000.

(b) **CONFORMING AMENDMENT.**-Section 302 of the Bankruptcy, Judges, United States Trustees, and Family Farmer Bankruptcy Act of 1986 (28 U.S.C. 581 note) is amended by striking

subsection (f).

C. Title IX – Financial Contract Provisions

SEC. 913. EFFECTIVE DATE; APPLICATION OF AMENDMENTS.

(a) EFFECTIVE DATE.-This title shall take effect on the date of enactment of this Act.

(b) APPLICATION OF AMENDMENTS.-The amendments made by this title shall apply with respect to cases commenced or appointments made under any Federal or State law after the date of enactment of this Act, but shall not apply with respect to cases commenced or appointments made under any Federal or State law before the date of enactment of this Act.

C. NON-BANKRUPTCY PROVISIONS

The following provisions of Senate File 220, the Bankruptcy Reform Act of 2001, do not affect the text of Title 11, Title 18 or Title 28 of the U.S. Code, and are not included in this document.

Title I – Needs-Based Bankruptcy

Sec. 102(e). Dismissal or conversion; Nonlimitation of information.

Sec. 103. Sense of Congress and study.

Sec. 105. Debtor financial management training test program.

Sec. 107. Schedules of reasonable and necessary expenses.

Title II – Enhanced Consumer Protection

Sec. 222. Sense of Congress.

Sec. 230. GAO Study.

Title III – Discouraging Bankruptcy Abuse

Sec. 313. Definition of household goods and antiques; study.

Sec. 319. Sense of Congress regarding expansion of Rule 9011 of the Federal Rules of Bankruptcy Procedure.

Sec. 325(c). United States Trustee program filing fee increase; Collection and deposit of miscellaneous bankruptcy fees.

Title IV – General and Small Business Bankruptcy Provisions

Sec. 419. More complete information regarding assets of the estate.

Sec. 433. Standard form disclosure statement and plan.

Sec. 443. Study of operation of title 11, United States Code, with respect to small businesses.
Sec. 444. Payment of interest.

Title VI – Bankruptcy Data

Sec. 603. Audit procedures.
Sec. 604. Sense of Congress regarding availability of bankruptcy data.

Title VII – Bankruptcy Tax Provisions

Sec. 716(e). Requirement to file tax returns to confirm chapter 13 plans; Rules for objections to claims and to confirmation.

Title IX – Financial Contract Provisions

Sec. 901 through 907. Makes changes to Federal Deposit Insurance Act in Title 12 U.S.C.

Title XII – Technical Amendments

Sec. 1224. Extensions.
Sec. 1225. Bankruptcy judgeships.
Sec. 1228. Judicial education.
Sec. 1230. Providing requested tax documents to the court.
Sec. 1231. Encouraging creditworthiness.

Title XIII – Consumer Credit Disclosure

Sec. 1301 through 1310. Makes changes to Truth in Lending Act, Title 15 U.S.C.

UNITED STATES CODE

TITLE 11. BANKRUPTCY

CHAPTER 1--GENERAL PROVISIONS

- 101. Definitions
- 102. Rules of construction
- 103. Applicability of chapters
- 104. Adjustment of dollar amounts
- 105. Power of court
- 106. Waiver of sovereign immunity
- 107. Public access to papers
- 108. Extension of time
- 109. Who may be a debtor
- 110. Penalty for persons who negligently or fraudulently prepare bankruptcy petitions
- 111. Credit counseling services; financial management instructional courses¹**

CHAPTER 3--CASE ADMINISTRATION

SUBCHAPTER I--COMMENCEMENT OF A CASE

- 301. Voluntary cases
- 302. Joint cases
- 303. Involuntary cases
- ~~304. Cases ancillary to foreign proceedings²~~
- 305. Abstention
- 306. Limited appearance
- 307. United States trustee
- 308. Debtor reporting requirements.³**

SUBCHAPTER II--OFFICERS

- 321. Eligibility to serve as trustee

¹Bankruptcy Reform Act of 2001, sec. 106(e)(2).

²Bankruptcy Reform Act of 2001, sec. 802(d)(3) (repeals 11 U.S.C. § 304).

³Bankruptcy Reform Act of 2001, sec. 434(a)(2).

- 322. Qualification of trustee
- 323. Role and capacity of trustee
- 324. Removal of trustee or examiner
- 325. Effect of vacancy
- 326. Limitation on compensation of trustee
- 327. Employment of professional persons
- 328. Limitation on compensation of professional persons
- 329. Debtor's transactions with attorneys
- 330. Compensation of officers
- 331. Interim compensation
- 332. Appointment of ombudsman.⁴**

SUBCHAPTER III--ADMINISTRATION

- 341. Meetings of creditors and equity security holders
- 342. Notice
- 343. Examination of the debtor
- 344. Self-incrimination; immunity
- 345. Money of estates
- 346. Special tax provisions
- 347. Unclaimed property
- 348. Effect of conversion
- 349. Effect of dismissal
- 350. Closing and reopening cases
- 351. Disposal of patient records.⁵**

SUBCHAPTER IV--ADMINISTRATIVE POWERS

- 361. Adequate protection
- 362. Automatic stay
- 363. Use, sale, or lease of property
- 364. Obtaining credit
- 365. Executory contracts and unexpired leases
- 366. Utility service

⁴Bankruptcy Reform Act of 2001, sec. 1104(a)(2).

⁵Bankruptcy Reform Act of 2001, sec. 1102(b).

CHAPTER 5--CREDITORS, THE DEBTOR, AND THE ESTATE

SUBCHAPTER I--CREDITORS AND CLAIMS

- 501. Filing of proofs of claims or interests
- 502. Allowance of claims or interests
- 503. Allowance of administrative expenses
- 504. Sharing of compensation
- 505. Determination of tax liability
- 506. Determination of secured status
- 507. Priorities
- 508. Effect of distribution other than under this title
- 509. Claims of codebtors
- 510. Subordination
- 511. Rate of interest on tax claims.⁶**

SUBCHAPTER II--DEBTOR'S DUTIES AND BENEFITS

- 521. Debtor's duties
- 522. Exemptions
- 523. Exceptions to discharge
- 524. Effect of discharge
- 525. Protection against discriminatory treatment
- 526. Debt relief enforcement⁷**
- 527. Disclosures⁸**
- 528. Debtor's bill of rights⁹**

SUBCHAPTER III--THE ESTATE

- 541. Property of the estate
- 542. Turnover of property to the estate
- 543. Turnover of property by a custodian
- 544. Trustee as lien creditor and as successor to certain creditors and purchasers

⁶Bankruptcy Reform Act of 2001, sec. 704(b).

⁷Bankruptcy Reform Act of 2001, sec. 227(b).

⁸Bankruptcy Reform Act of 2001, sec. 228(b).

⁹Bankruptcy Reform Act of 2001, sec. 229(b).

- 545. Statutory liens
- 546. Limitations on avoiding powers
- 547. Preferences
- 548. Fraudulent transfers and obligations
- 549. Postpetition transactions
- 550. Liability of transferee of avoided transfer
- 551. Automatic preservation of avoided transfer
- 552. Postpetition effect of security interest
- 553. Setoff
- 554. Abandonment of property of the estate
- 555. Contractual right to liquidate, **terminate, or accelerate** a securities contract¹⁰
- 556. Contractual right to liquidate, **terminate, or accelerate** a commodities contract or forward contract¹¹
- 557. Expedited determination of interests in, and abandonment or other disposition of grain assets
- 558. Defenses of the estate
- 559. Contractual right to liquidate, **terminate, or accelerate** a repurchase agreement¹²
- 560. Contractual right to liquidate, **terminate, or accelerate** a swap agreement¹³
- 561. Contractual right to terminate, liquidate, accelerate, or offset under a master netting agreement and across contracts¹⁴**
- 562. Damage measure in connection with swap agreements, securities contracts, forward contracts, commodity contracts, repurchase agreements, or master netting agreements¹⁵**

CHAPTER 7--LIQUIDATION

SUBCHAPTER I--OFFICERS AND ADMINISTRATION

- 701. Interim trustee
- 702. Election of trustee

¹⁰Bankruptcy Reform Act of 2001, sec. 907(p).

¹¹Bankruptcy Reform Act of 2001, sec. 907(p).

¹²Bankruptcy Reform Act of 2001, sec. 907(p).

¹³Bankruptcy Reform Act of 2001, sec. 907(p).

¹⁴Bankruptcy Reform Act of 2001, sec. 907(k)(2).

¹⁵Bankruptcy Reform Act of 2001, sec. 910(a)(2).

- 703. Successor trustee
- 704. Duties of trustee
- 705. Creditors' committee
- 706. Conversion
- 707. ~~Dismissal~~ **Dismissal of a case or conversion to a case under chapter 11 or 13**¹⁶

SUBCHAPTER II--COLLECTION, LIQUIDATION, AND DISTRIBUTION OF THE ESTATE

- 721. Authorization to operate business
- 722. Redemption
- 723. Rights of partnership trustee against general partners
- 724. Treatment of certain liens
- 725. Disposition of certain property
- 726. Distribution of property of the estate
- 727. Discharge
- 728. Special tax provisions¹⁷

SUBCHAPTER III--STOCKBROKER LIQUIDATION

- 741. Definitions for this subchapter
- 742. Effect of section 362 of this title in this subchapter
- 743. Notice
- 744. Executory contracts
- 745. Treatment of accounts
- 746. Extent of customer claims
- 747. Subordination of certain customer claims
- 748. Reduction of securities to money
- 749. Voidable transfers
- 750. Distribution of securities
- 751. Customer name securities
- 752. Customer property
- 753. **Stockbroker liquidation and forward contract merchants, commodity brokers, stockbrokers, financial institutions, securities clearing agencies, swap participatns, repo participants, and master netting agreement participants.**¹⁸

¹⁶Bankruptcy Reform Act of 2001, sec. 102(i).

¹⁷Bankruptcy Reform Act of 2001, 719(b)(1) (repeals 11 U.S.C. § 728) (fails to provide for clerical amendment to remove § 728 from table of sections).

¹⁸Bankruptcy Reform Act of 2001, sec. 907(p)(2)(B).

SUBCHAPTER IV--COMMODITY BROKER LIQUIDATION

- 761. Definitions for this subchapter
- 762. Notice to the Commission and right to be heard
- 763. Treatment of accounts
- 764. Voidable transfers
- 765. Customer instructions
- 766. Treatment of customer property
- 767. Commodity broker liquidation and forward contract merchants, commodity brokers, stockbrokers, financial institutions, securities clearing agencies, swap participants, repo participants, and master netting agreement participants.¹⁹**

SUBCHAPTER V--CLEARING BANK LIQUIDATION²⁰

- 781. Definitions.**
- 782. Selection of trustee.**
- 783. Additional powers of trustee.**
- 784. Right to be heard.**

CHAPTER 9--ADJUSTMENT OF DEBTS OF A MUNICIPALITY

SUBCHAPTER I--GENERAL PROVISIONS

- 901. Applicability of other sections of this title
- 902. Definitions for this chapter
- 903. Reservation of State power to control municipalities
- 904. Limitation on jurisdiction and powers of court

SUBCHAPTER II--ADMINISTRATION

- 921. Petition and proceedings relating to petition
- 922. Automatic stay of enforcement of claims against the debtor
- 923. Notice
- 924. List of creditors
- 925. Effect of list of claims
- 926. Avoiding powers

¹⁹Bankruptcy Reform Act of 2001, sec. 907(p)(2)(B).

²⁰114 Stat. 2763, *2764, sec. 112(d).

- 927. Limitation on recourse
- 928. Post petition effect of security interest
- 929. Municipal leases
- 930. Dismissal

SUBCHAPTER III--THE PLAN

- 941. Filing of plan
- 942. Modification of plan
- 943. Confirmation
- 944. Effect of confirmation
- 945. Continuing jurisdiction and closing of the case
- 946. Effect of exchange of securities before the date of the filing of the petition

CHAPTER 11--REORGANIZATION

SUBCHAPTER I--OFFICERS AND ADMINISTRATION

- 1101. Definitions for this chapter
- 1102. Creditors' and equity security holders' committees
- 1103. Powers and duties of committees
- 1104. Appointment of trustee or examiner
- 1105. Termination of trustee's appointment
- 1106. Duties of trustee and examiner
- 1107. Rights, powers, and duties of debtor in possession
- 1108. Authorization to operate business
- 1109. Right to be heard
- 1110. Aircraft equipment and vessels
- 1111. Claims and interests
- 1112. Conversion or dismissal
- 1113. Rejection of collective bargaining agreements
- 1114. Payment of insurance benefits to retired employees
- 1115. Property of the estate²¹**
- 1116. Duties of trustee or debtor in possession in small business cases²²**

SUBCHAPTER II--THE PLAN

²¹Bankruptcy Reform Act of 2001, sec. 321(a)(2).

²²Bankruptcy Reform Act of 2001, sec. 436(b).

- 1121. Who may file a plan
- 1122. Classification of claims or interests
- 1123. Contents of plan
- 1124. Impairment of claims or interests
- 1125. Postpetition disclosure and solicitation
- 1126. Acceptance of plan
- 1127. Modification of plan
- 1128. Confirmation hearing
- 1129. Confirmation of plan

SUBCHAPTER III--POSTCONFIRMATION MATTERS

- 1141. Effect of confirmation
- 1142. Implementation of plan
- 1143. Distribution
- 1144. Revocation of an order of confirmation
- 1145. Exemption from securities laws
- 1146. Special tax provisions

SUBCHAPTER IV--RAILROAD REORGANIZATION

- 1161. Inapplicability of other sections
- 1162. Definition
- 1163. Appointment of trustee
- 1164. Right to be heard
- 1165. Protection of the public interest
- 1166. Effect of subtitle IV of title 49 and of Federal, State, or local regulations
- 1167. Collective bargaining agreements
- 1168. Rolling stock equipment
- 1169. Effect of rejection of lease of railroad line
- 1170. Abandonment of railroad line
- 1171. Priority claims
- 1172. Contents of plan
- 1173. Confirmation of plan
- 1174. Liquidation

CHAPTER 12--ADJUSTMENT OF DEBTS OF A FAMILY FARMER WITH REGULAR ANNUAL INCOME

SUBCHAPTER I--OFFICERS, ADMINISTRATION, AND THE ESTATE

- 1201. Stay of action against codebtor
- 1202. Trustee
- 1203. Rights and powers of debtor
- 1204. Removal of debtor as debtor in possession
- 1205. Adequate protection
- 1206. Sales free of interests
- 1207. Property of the estate
- 1208. Conversion or dismissal

SUBCHAPTER II--THE PLAN

- 1221. Filing of plan
- 1222. Contents of plan
- 1223. Modification of plan before confirmation
- 1224. Confirmation hearing
- 1225. Confirmation of plan
- 1226. Payments
- 1227. Effect of confirmation
- 1228. Discharge
- 1229. Modification of plan after confirmation
- 1230. Revocation of an order of confirmation
- 1231. Special tax provisions

CHAPTER 13--ADJUSTMENT OF DEBTS OF AN INDIVIDUAL WITH REGULAR INCOME

SUBCHAPTER I--OFFICERS, ADMINISTRATION, AND THE ESTATE

- 1301. Stay of action against codebtor
- 1302. Trustee
- 1303. Rights and powers of debtor
- 1304. Debtor engaged in business
- 1305. Filing and allowance of postpetition claims
- 1306. Property of the estate
- 1307. Conversion or dismissal
- 1308. Filing of prepetition tax returns²³**

²³Bankruptcy Reform Act of 2001, sec. 716(b)(2).

SUBCHAPTER II--THE PLAN

- 1321. Filing of plan
- 1322. Contents of plan
- 1323. Modification of plan before confirmation
- 1324. Confirmation hearing
- 1325. Confirmation of plan
- 1326. Payments
- 1327. Effect of confirmation
- 1328. Discharge
- 1329. Modification of plan after confirmation
- 1330. Revocation of an order of confirmation

CHAPTER 15-ANCILLARY AND OTHER CROSS-BORDER CASES²⁴

1501. Purpose and scope of application.

SUBCHAPTER I-GENERAL PROVISIONS

- 1502. Definitions.**
- 1503. International obligations of the United States.**
- 1504. Commencement of ancillary case.**
- 1505. Authorization to act in a foreign country.**
- 1506. Public policy exception.**
- 1507. Additional assistance.**
- 1508. Interpretation.**

SUBCHAPTER II-ACCESS OF FOREIGN REPRESENTATIVES AND CREDITORS TO THE COURT

- 1509. Right of direct access.**
- 1510. Limited jurisdiction.**
- 1511. Commencement of case under section 301 or 303.**
- 1512. Participation of a foreign representative in a case under this title.**
- 1513. Access of foreign creditors to a case under this title.**
- 1514. Notification to foreign creditors concerning a case under this title.**

SUBCHAPTER III-RECOGNITION OF A FOREIGN PROCEEDING AND RELIEF

²⁴Bankruptcy Reform Act of 2001, sec. 801(b).

- 1515. Application for recognition.**
- 1516. Presumptions concerning recognition.**
- 1517. Order granting recognition.**
- 1518. Subsequent information.**
- 1519. Relief that may be granted upon filing petition for recognition.**
- 1520. Effects of recognition of a foreign main proceeding.**
- 1521. Relief that may be granted upon recognition.**
- 1522. Protection of creditors and other interested persons.**
- 1523. Actions to avoid acts detrimental to creditors.**
- 1524. Intervention by a foreign representative.**

SUBCHAPTER IV-COOPERATION WITH FOREIGN COURTS AND FOREIGN REPRESENTATIVES

- 1525. Cooperation and direct communication between the court and foreign courts or foreign representatives.**
- 1526. Cooperation and direct communication between the trustee and foreign courts or foreign representatives.**
- 1527. Forms of cooperation.**

SUBCHAPTER V-CONCURRENT PROCEEDINGS

- 1528. Commencement of a case under this title after recognition of a foreign main proceeding.**
- 1529. Coordination of a case under this title and a foreign proceeding.**
- 1530. Coordination of more than 1 foreign proceeding.**
- 1531. Presumption of insolvency based on recognition of a foreign main proceeding.**
- 1532. Rule of payment in concurrent proceedings.**

TITLE 18

CRIMES AND CRIMINAL PROCEDURE

(SELECTED PROVISIONS)

- 156. Knowing disregard of bankruptcy law or rule**
- 158. Designation of United States attorneys and agents of the Federal Bureau of Investigation to address abusive reaffirmations of debt and materially fraudulent statements in bankruptcy schedules²⁵**

²⁵Bankruptcy Reform Act of 2001, sec. 203(b)(1).

TITLE 28
JUDICIARY AND JUDICIAL PROCEDURE
(SELECTED PROVISIONS)

- 152. Appointment of bankruptcy judges
- 157. Procedures
- 158. Appeals
- 159. Bankruptcy statistics²⁶**
- 586. Duties; supervision by Attorney General
- 589a. United States Trustee System Fund
- 589b. Bankruptcy data²⁷**
- 960. Tax liability
- 1334. Bankruptcy cases and proceedings.
- 1409. Venue of proceedings arising under title 11 or arising in or related to cases under title 11
- 1410. Venue of cases ancillary to foreign proceedings²⁸**
- 1452. Removal of claims related to bankruptcy cases
- 1930. Bankruptcy fees
- 2075. Bankruptcy rules

²⁶Bankruptcy Reform Act of 2001, sec. 601(a).

²⁷Bankruptcy Reform Act of 2001, sec. 602(a).

²⁸Bankruptcy Reform Act of 2001, sec. 802(c)(4).